

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCES/METHODS/EXEMPTION 382B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2006

REF ID: A61147825

SECRET  
CLASSIFICATION

15 Nov. 1955

TO : Chief, SR  
Attn: [ ]  
FROM : Chief of Base, Munich  
SUBJECT: GENERAL— Operational/REDWOOD/LCIMPROVE/AEBATH  
SPECIFIC— Memorandum of Oral Agreement - AECAPELIN 1  
REF: DIR-24300, 16 September 1955 — Requested Memo in Lieu of Contract  
filed REBATH - Develop + Plane

INFO: EE, COS

[ ] 3/act

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1. In accordance with above reference per which AECAPELIN 1 was granted a salary increase, which also indicates that the REBATH project was approved on 15 September 1955, an oral agreement was reached between AECAPELIN 1 and the undersigned case officer. The oral agreement, which will remain in effect until further notification, covers the following:
- Monthly salary to be paid to the agent in the Field in the sum of 920 DM (original 500 DM salary plus an increase in the sum of \$100.00 per month).
  - Monthly deposit to AECAPELIN 1's escrow account in PBPRIME in the sum of \$200.00 per month (original \$100.00 plus an increase in the sum of \$100.00 per month).
  - Reimbursement to AECAPELIN 1 for expenses incurred in the rental of office space, suitable for the performance of his KUBARK mission, currently in the sum of 55.00 DM per month.
2. During the period that the oral agreement will remain valid, KUBARK will reimburse AECAPELIN 1 for all expenses incurred as a result of operational requirements. These will include taxi fares to and from operational meetings; official telephone, telegraph and postal expenses; reasonable operational entertainment expenses; meals during operational meetings; special operational equipment and supplies (e.g. rapid-copy, chemicals for rapid-copy development, typewriter paper and supplies, etc) and travel expenses incurred in the performance of the duties assigned to him by the case officer. Per diem at the rate of 25 DM per day will be paid to Subject during those periods when he will be absent from his place of residence in the performance of his duties.
3. No other commitments were made to Subject nor were there any promises made in line with his eventual immigration to PBPRIME which was guaranteed him under terms of the original contract as reflected in WASHF 22823, dated 18 January 1952. AECAPELIN 1's duties and responsibilities vis-a-vis KUBARK remain as previously.

Approved: [ ]

Case Officer

Distr:

4 - WASH  
3 - COS  
3 - MOB

8 November 1955

SECRET

CLASSIFICATION

51-28A

Lined w/

SR/HYF

**SECRET**

*29 March 1956*

SUBJECT: Oral Commitments in Lieu of Contract for ARCAPELINE I

1. The following oral commitments, in lieu of contract, have been made to ARCAPELINE I:

(a) COMPENSATION: Monthly salary of 920 DM to be paid the agent in the field plus a deposit to his escrow account in PEKAKEN in the amount of \$300 each month.

(b) TRAVEL: He will be advanced or reimbursed funds for necessary expenses incurred in connection with official travel as may be officially directed or authorized. This will include taxi fares to and from operational meetings. He shall be paid a per diem rate of 25 DM for such travel and absence from his place of residence as directed for official purposes. The total sum to be expended is not to exceed \$750 per annum.

(c) OPERATIONAL EXPENSES: He shall be advanced or reimbursed funds for necessary operational expenditures, i. e., official telephone, telegraph and postal expenses, office rental at the rate of 55 DM per month, operational entertainment expenses, meals during operational meetings, purchase of special operational equipment and supplies. The total sum of these operational expenses are not to exceed \$1000 per annum.

(d) EMERGENT TRAVEL: SUBJECT and his wife will be provided funds for passage to the United States if and when this is requested and is desired. For this purpose and when desired, a request for necessary funds, not to exceed \$1000 will be submitted. This particular commitment is only valid during the dates for which the memorandum in Lieu of contract is valid and must be renewed upon expiration to be effective.

(e) LOCAL TRANSFER: Subject shall be advanced or reimbursed the sum not to exceed \$300 for the period covered by this agreement to cover expenses in the event he is transferred to another country (France). He shall also be advanced or reimbursed the sum not to exceed \$150 for key money if and when this becomes necessary with transfer.

(f) TERMINATION BONUS: Upon termination of Subject's services, ARCAPELINE will receive 3 months salary as termination bonus. This bonus will be paid to ARCAPELINE provided he is terminated at KUBANK convenience and providing his services have been satisfactory.

(g) OTHER COMMITMENTS:

(1) Subject will be evacuated, at KUBANK expense, to the Communication Zone on declaration of hostilities in the field.

(2) Subject will receive an annual Christmas bonus in the sum authorized for field agents by Mission Headquarters.

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(i) The field case officer will give Subject small gifts of appreciation (e.g., 1 bottle of whiskey, 1 carton of cigarettes, etc.) on the occasion of Subject's birthday, on exemplary performance of duties assigned, etc.

(ii) ~~SHAKER~~: Subject is not an employee of the United States Government under this agreement and is not entitled to any benefits normally incident to an employee status.

(i) ~~SHAKER~~ commitment: No promises or commitments pertaining to rights, privileges or benefits other than those expressly stipulated in writing in this agreement or any amendment thereto, shall be binding to the United States Government.

(j) ~~SHAKER~~: This memorandum is Lien of Contract is effective from 1 August 1955 through 31 July 1957, and can be terminated at ~~SHAKER~~'s will prior to the expiration date specified.

(k) All expenditures by and for ~~SHAKER~~ I are chargeable to project ~~SHAKER~~, Allotment #3400-53-335.

NOTE: Terms of this agreement are for two year period, 1 August 1955 through 31 July 1957, and are retroactive to approved date of project ~~SHAKER~~ which is, of course, 1 August 1955.

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